

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Public Inquiry on Changes Associated
with the Delivering for America Plan

Docket No. PI2023-4

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued June 21, 2023)

As part of its Delivering for America Strategic Plan, the Postal Service recently announced several initiatives involving changes to its processing and delivery network, some of which may implicate statutory provisions relating to Postal Service costs, service performance, or changes in the nature of service.¹

To clarify information related to these initiatives, the Postal Service is requested to provide a written response to the following questions. The responses should be provided as soon as they are developed, but no later than June 28, 2023.²

1. Please refer to the DFA Second-Year Report, which describes changes to the Postal Service's network of facilities.³ Please provide a schedule of planned facility activations, including Sort and Delivery Centers (S&DCs), Regional

¹ See Notice and Order Initiating Public Inquiry Associated with the Delivering for America Plan, April 20, 2023 (Order No. 6488); see also United States Postal Service, Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence, March 23, 2021, available at https://about.usps.com/what/strategic-plans/delivering-for-america/assets/USPS_Delivering-For-America.pdf (DFA Plan).

² Given the Postal Service's concern about the scope of this inquiry and the Postal Service's sensitivity to providing certain information regarding planned initiatives, the Commission notes that an informal, off-the-record technical conference clarifying certain aspects of the DFA Plan may be beneficial. If the Postal Service believes it would be more efficient to respond to the Chairman Information Request in an informal setting, the Postal Service may request a technical conference to provide the Commission and interested parties more information about its recent network changes and other planned DFA initiatives. See 39 C.F.R. § 3010.202(c).

³ United States Postal Service, Delivering for America, Second-Year Progress Report, April 2023, at 15-18, available at <https://about.usps.com/what/strategic-plans/delivering-for-america/assets/usps-dfa-two-year-report.pdf> (DFA Second-Year Report).

Processing & Distribution Centers (RPDCs), Local Processing Centers (LPCs), Destination Hubs (DHUBs), and any other facility contemplated as part of the DFA Plan, including the following data elements for each facility:⁴

- a. Location (city and state).
 - b. Facility type.
 - c. Planned date of activation.
 - d. List of the existing facilities that will be affected by planned activations.
 - e. 3-Digit ZIP Codes served.
2. For existing facilities listed in question 1.e., please discuss the specific impact of the planned activations on those facilities (e.g., elimination or consolidation of the facilities).
3. Please refer to the DFA Plan's projection that the plan will improve costs by \$34 billion over 10 years due to self-help management initiatives, including mail processing, transportation, retail, delivery, and administration efficiency.⁵
- a. Please identify the specific cost saving initiatives included in this \$34 billion projection.
 - b. For each initiative identified in sub-question a., please provide the documentation with any analysis or study the Postal Service prepared to estimate the cost savings associated with that initiative.
 - c. If no such studies or analyses were developed, please identify the basis for the projection of \$34 billion in aggregate cost improvements.
4. Please refer to the DFA Plan's description of potential network realignments. DFA Plan at 34-35. Please also refer to the DFA Second-Year Report, where the

⁴ This question derives from PostCom's proposed information requests. See Motion of the Association for Postal Commerce for Issuance of Information Request, April 28, 2023, at 2 (PostCom Motion).

⁵ DFA Plan at 6. This question was also developed from PostCom's proposed questions. See PostCom Motion at 2-3.

Postal Service states there will not be any post office closures or changes to the local Post Office retail operations. DFA Second-Year Report at 18.

- a. Please confirm that no post offices will be closed as part of the DFA Plan. If not confirmed, please describe why.
 - b. Please confirm that customers will not experience any changes to their local post office retail operations. If not confirmed, please describe why.
5. Please confirm that the Postal Service considered requesting an advisory opinion from the Commission prior to the implementation of its new facilities (*e.g.*, S&DCs, RPDCs, and LPCs) and corresponding processing and logistics network realignments.
- a. If confirmed, please explain why the Postal Service determined seeking an advisory opinion was not necessary. If applicable, please also discuss why the *Buchanan* factors for a change in the nature of service would not be met by these proposed changes.⁶
 - b. If not confirmed, please explain why the Postal Service has not considered seeking an advisory opinion. Please also discuss whether the Postal Service will evaluate whether these network changes require seeking an advisory opinion from the Commission, and if the Postal Service plans to seek one in the future.

By the Chairman.

Michael Kubayanda

⁶ The *Buchanan* factors set forth the requirements for when an advisory opinion request is required by 39 U.S.C. § 3661(b). See *Buchanan v. U.S. Postal Serv.*, 508 F.2d 259 (5th Cir. 1975).